

**Energy and Environmental Advocacy
Office of Consumer Protection
Annual Report
Fiscal Year 2009**

Legislation was enacted in FY09 which created a new role and duties for the Office of Consumer Protection (OCP) in the area of energy and environmental advocacy.

Council Vice-President Roger Berliner was the lead sponsor of several environmental bills including Bill #35-07, Consumer Protection – Energy and Environmental Advocacy, and Bill #31-07, Real Property – Energy Performance. These bills established the following additional mandates for OCP:

- Work with other County agencies to advocate for the County's interests in obtaining the lowest possible utility rates consistent with environmental stewardship.
- Assist home sellers and buyers to obtain information about utility usage and costs.

Start-Up

OCP's first challenges were to become familiar with the subject matter, coordinate our efforts with other agencies, and establish operating procedures. During this first year OCP staff:

- Attended meetings of Montgomery County's Sustainability Working Group.
- Identified and consulted with environmental and legal experts.
- Coordinated activities with Montgomery County's Department of Environmental Protection (DEP).
- Reached out to and met with the Executive Director and Deputy General Counsel of the Maryland Public Service Commission (PSC).
- Reached out to and met with staff at the Maryland Office of the People's Counsel (OPC).
- Reached out to and consulted with other environmental organizations including AARP, MaryPIRG, and the DC Office of the People's Counsel.

- Established procedures with Montgomery County's Office of the County Attorney to intervene and submit testimony to the Public Service Commission.
- Attended an on-site demonstration of "smart grid" technology in a residential home in Montgomery County.
- Participated in the EmPOWER Maryland General Awareness Campaign Working Group convened by the Public Service Commission.

Maryland Public Service Commission

Given OCP's limited resources, it was important to review the extensive docket maintained by the Public Service Commission (PSC) and to identify those cases in which OCP's actions in intervening and providing testimony would be the most effective and productive.

OCP attended PSC hearings and provided written or oral testimony regarding the following cases:

1. EmPOWER Maryland Energy Act of 2008 (EmPOWER Maryland)

Allegheny Power (Case # 9153)

Baltimore Gas and Electric Company (BGE) (Case # 9154)

Potomac Electric Power Company (PEPCO) (Case #9155)

Collectively, these cases are designed to establish energy and demand reduction goals in Maryland of 15% by 2015. The three electric companies that provide service in Montgomery County filed energy efficiency, conservation, and demand response programs with the PSC pursuant to these EmPOWER Maryland cases.

OCP commented on several issues in these cases in response to the proposals provided by each utility company. OCP's comments to the PSC included:

- Asserting OCP's interest in ensuring that the overall long term rate impacts of their proposed programs were of benefit to Montgomery County consumers.
- Requesting that the PSC pursue a fair and equitable distribution of costs and benefits of the programs.

- Recommending that there be opportunities for benefits to local governments and public buildings.
- Highlighting the County's Climate Protection goal.
- Seeking coordination between local jurisdictions in Maryland and with the Maryland Energy Administration (MEA) to ensure program success.

2. In the Matter of the Allocation of Money in the Maryland Strategic Energy Investment Fund Pursuant to Section 9-20B-05(G)(2) of the State Government Article, *Annotated Code of Maryland* (Case #9166)

This case concerns the PSC's allocation of money into the Maryland Strategic Energy Investment Fund (SEIF). This is a fund that was created from the proceeds of the auction of carbon allowances under the Regional Greenhouse Gas Initiative (RGGI). A percentage of the money in this fund is allocated to offset electricity rates of residential customers. OCP's comments to the PSC addressed consumer education efforts and included:

- Highlighting potential confusion regarding "credits" and "surcharges."
- Recommending how best to inform consumers of any changes on their bills.

3. Smart Grid/Advanced Metering Infrastructure (AMI) (Case #9207)

OCP provided written comments and attended a PSC administrative meeting regarding PEPCO's Smart Grid proposals. Promotion of Smart Grid technologies by utilities serving Montgomery County was one of the recommendations made in the Climate Protection Plan issued by the Sustainability Working Group. A "Smart Grid" is an advanced transmission and delivery system that uses digital technology to save energy and reduce costs. In our comments, OCP encouraged PEPCO to maximize the use of funds available under the American Recovery and Reinvestment Act. The Department of Energy (DOE) announced that the maximum individual awards available under the Smart Grid Investment Grant Program would be increased from \$20 million to \$200 million and that the maximum for Smart Grid Demonstration Projects would be increased from \$40 million to \$100 million.

Home Utility Usage and Costs

Bill # 31-07, Real Property – Energy Performance, requires that home sellers provide an energy cost and consumption history along with information on the benefits of home energy and energy-efficient improvements. OCP worked closely with the Department of Environmental Protection (DEP) and the Greater Capital Area Association of Realtors (GCAAR) to create disclosure information for sellers and buyers of residential homes. The substantive language for an Executive Regulation was agreed upon to ensure that residential sellers and their agents know how to comply with this new law.

OCP participated in a meeting organized by Council Vice President Roger Berliner with several utility providers in Montgomery County to ensure that the statutorily required utility usage and cost information is easily available. OCP has compiled information for a Frequently Asked Questions (FAQ's) section on its webpage, and is in the final stages of adding additional resource information and links for sellers and buyers.

Summary

During this first full fiscal year, OCP has made significant progress in collaborating with the various stakeholders in this arena. OCP has taken steps to ensure that it has “a seat at the table” and is an active participant in the field of energy and environmental advocacy. OCP revised its office brochure to reflect this and other new duties assigned to the office.

The County legislation which created these new programs for OCP to administer recognized the highly specialized and technical nature of the work, and specifically authorized OCP to employ consultants and technical advisors. During the initial year of operation, OCP was able to identify and benefit from the advice and assistance of those with expertise in the area of energy and environmental issues. Continued success of this program will be directly dependent upon sufficient funding for expert assistance.

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